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CONCORD, N.H.

1952

Feb. 14

James J. Barry, Commissioner  
Department of Public Welfare  
State House Annex  
Concord, New Hampshire

Dear Sir:

Under date of January 10, 1952 you made reference to the change in the working capital statute embodied in R. L., c. 22, s. 5-a as amended by Laws 1951, c. 252, s. 2, and inquire whether, because hospital associations and professional societies provide services on behalf of your recipients at reduced rates, payments in respect thereto may be made from working capital. This must be answered in the negative.

The purposes for which payments from working capital may be made are narrowly limited in section 5-a. In respect to using this fund because of discounts, the law permits such use under the following conditions:

" . . . The prompt payment of bills for materials, equipment and supplies purchased upon purchase orders issued by the director of purchase and property and bills incurred for liquor purchased by the state liquor commission under the provisions of chapter 170, Revised Laws, as amended, on which discounts are available upon such prompt payment."

To qualify, then, for payment out of working capital, the bill must be for "material, equipment and supplies." These must have been purchased on "purchase orders" issued by the director of purchase and property." And finally, a discount must be available only because of prompt payment.

As I understand the matter, you do not have reference to "materials, equipment and supplies" purchased on purchase order. Reduced rates are not in the nature of a discount for prompt payment; they seem, rather, the result of a policy of public service adopted by the associations and societies concerned.

James J. Barry, Commissioner

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Since the payments do not come within  
the governing statute, they cannot be made from the working capital fund.

Very truly yours,

Warren E. Waters  
Assistant Attorney General

WEM/T